



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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July 14, 2003

Ronald K. Stout
P.O. Box 251
St. George, Utah 84771

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, and Termination of Notice of Noncompliance, Ronald K. Stout, Red Sandstone Project, S/053/073, Washington County, Utah

Dear Mr. Stout:

Thank you for your Notice of Intention to Commence Small Mining Operations and initial \$150.00 permit application fee, received by the Division on July 7, 2003. The proposed Red Sandstone Project is located in the NE¼ of NW¼ of NE¼ of Section, 20, T42S, R15W, SLBM, Washington County, Utah.

The Division finds your application complete and no additional information is required by this office at this time. **You may commence with your mining operations as outlined, provided you have satisfied and received written acceptance from the School and Institutional Trust Lands Administration. Please be advised that if you encounter any archaeological or historical concerns, you are to immediately cease operations and notify this office, SITLA, and State History of your find.**

In accordance with the requirements of Rule R647-3-105, regarding the project location and disturbed area identification on a topographic map, *the Division also requires the operator mark the proposed/actual disturbed area boundary (including access/haul roads) in the field with metal T-Posts (or other suitable, fixed markers) to assure that operations do not exceed the five acre limitation of this permit.* Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye. *The Division will arrange to visit your site during our next trip to St. George to GPS t-post locations and to check site conditions.*

The acceptance of this notice is for a small mining operation only, **not to exceed five acres.** Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

On June 17, 2002, the Division of Oil, Gas and Mining issued you a Notice of Noncompliance and Division Directive to suspend mining activities because you were operating

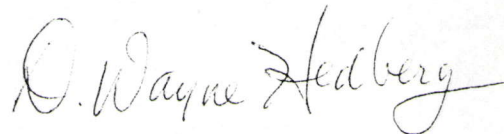
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without a permit or surety. It was estimated that your site disturbance was a 9.59 acres. After meeting with you several times, it was determined that a large portion of your site was in alluvial material and, therefore, not subject to Division regulation. However, the portion of your site that is in solid bedrock (you estimate 3.9 acres) does need to be permitted with this office. With receipt of your small mining Notice of Intention, the Notice of Noncompliance is satisfied. Therefore, the Division hereby terminates the Notice of Noncompliance.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-summary). Please give special consideration to item #10 of the Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

Thank you for your cooperation. Best wishes with your mining operation.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosure: SMO summary
cc: John Blake, SITLA
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